

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Escutia Analyst: Marion Mann DeJong Bill Number: SB 777

Related Bills: See Prior Analysis Telephone: 845-6979 Amended Date: 08/18/2003

Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Whistleblowers Protection

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED

x February 21, 2003, STILL APPLIES.

OTHER - See comments below.

## SUMMARY

This bill would expand whistleblower protection laws to:

- Prohibit employers from taking retaliatory actions against employees who refuse to participate in illegal activity and impose a \$10,000 penalty on corporations and limited liability companies (LLCs) that violate this prohibition; and
- Require the Attorney General (AG) to maintain a "whistleblower hotline" to receive information about illegal activity.

## SUMMARY OF AMENDMENTS

The August 18, 2003, amendments made the following changes:

- removed the provisions that would have imposed civil penalties on corporations or LLCs that fail to report wrongdoings of the corporation or LLC; and
- added a modification to the display requirements for state agencies and departments currently required by law to display whistleblower information. Such agencies and departments would be deemed to be in compliance with the display requirements if the hotline number maintained by the AG as required by this bill is included on the display.

These amendments would not affect state tax revenues or Franchise Tax Board's programs or operations.

Board Position:

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\_\_\_\_ SA  
\_\_\_\_ N

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\_\_\_\_ NP  
\_\_\_\_ NAR  
\_\_\_\_ X PENDING

Legislative Director

Date

Brian Putler

8/27/03

## **ANALYSIS**

Except for the discussion relating to civil penalties on corporations, LLCs, or their officials that fail to report wrongdoings of the corporation or LLC, the department's analysis of the bill as introduced still applies. As discussed in that analysis, this bill would not significantly affect the department's programs or operations, nor would this bill affect state tax revenue.

## **LEGISLATIVE STAFF CONTACT**

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